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**Committee on the Judiciary**

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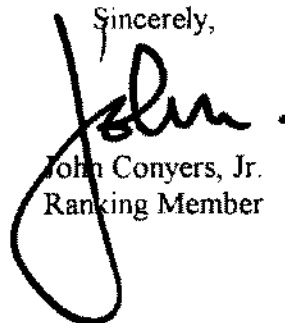
February 20, 2003

Honorable Michael K. Powell, Chairman  
Honorable Kathleen Q. Abernathy  
Honorable Michael J. Copps  
Honorable Kevin J. Martin  
Honorable Jonathan S. Adelstein  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Dear Chairman Powell and Commissioners:

I commend to your attention the enclosed column published on February 8, 2003 in the *Indiana Herald* called "Close the Divide," by Thomas W. Dortch, Jr., Chairman of the One Hundred Black Men Coalition. The column describes the continued need for competition in the telecommunications industry as a key mechanism for closing the digital divide in African-American communities. It also raises concerns regarding the impact of future actions by the Federal Communications Commission on continuing the competitive vibrancy in the telecommunications marketplace

Sincerely,



John Conyers, Jr.  
Ranking Member

Enclosure

cc: Hon. F. James Sensenbrenner  
Chairman, Committee on the Judiciary

## Close the Divide

By Thomas W. Dortch, Jr.  
One Hundred Black Men Coalition

In 2002, only four out of ten African Americans used the wondrous possibilities of the Internet, nearly 30 points behind the national average. That's the bad news.

The good news is that the gap is narrowing because an increasingly competitive marketplace is bringing better services to African American communities at lower prices. In 2001, for instance, the rate of increase of Internet usage in the African American community was 31%, as compared to 19% among whites.

But if Michael Powell, the chairman of the Federal Communications Commission gets his way, that positive trend will come to a halt, and the digital divide will explode into a digital abyss.

That's because Chairman Powell is listening to the special interests — not just on the media-concentration debate but on the telecom-concentration debate as well. Today, Chairman Powell is trying to get the FCC to adopt a new rule that will raise our prices for telephone and internet services, and drive small telecom businesses — the ones most likely to cater to African American communities and students — out of the telecom marketplace.

Say what?

That's right. The 1996 Telecommunications Act was potential nirvana for African Americans caught on the wrong side of the digital divide, an "acid-test" of digital civil rights, in the words of U.S. Rep. John Conyers. The law said that new telecom businesses and internet service providers could use the local monopoly telecom facilities to bring consumers of all communities better services at more affordable prices.

This is no small deal.



Thomas W. Dortch, Jr.  
In inner city schools, many of the problems of dusty old text books and under-funded classrooms can be clicked away on-line. For African American businesses attempting to tap new business opportunities, the information age offers bold new opportunities to trump the glass ceilings of discrimination, as the demand for innovative software programs and other bold new services knows no color barrier.

Hundreds of new telecom businesses and thousands of ISPs have sprung up as a result of the law, and not surprisingly, the number of web sites and services geared to the African American communities and our students are growing faster than for any other demographic. My organization, for instance, the 100 Black Men, has been able to establish a Community Technology Cyber Center, where entire families can come together and learn about computer technology.

10 million consumers, including many African American households, today are saving approximately \$100 on just our phone bills. Nationwide, according to a new study of potential savings in our communities, that figure could skyrocket to \$9 billion annually, if this newborn competition is realized in every village and hamlet. The savings on internet-access and related

to the markets that Mr. Powell now, seemingly, wants to choke off.

So what gives with the FCC chairman Michael Powell, the son of our great and fair-minded Secretary of State? It seems that he is response-services could be far greater still.

But all this depends on access to the markets and a resulting vibrant marketplace, where multiple vendors have to compete for our fidelity and our dollars. It is this access to the special-interest monopolies, and not to the needs of our communities.

You see, the monopolies can't price-gouge our communities for their monopoly profits when there are other competitors in the marketplace. That's the beautiful thing about free markets. These same companies originally supported the 1996 law (because it let these telephone monopolies into the long distance markets) and are now trying to repeal it, arguing that the law is, somehow, unfair.

Virtually every state government and even the Supreme Court has said that the law is fair, and that, even when these telephone monopolies lease their networks to these competitors, they are still making very huge earnings — as much as 42% in some cases. One CEO was reported to have had a \$155 million compensation package last year, while he was laying off workers who are disproportionately African American. So, you see where the priorities of these monopolies really lie.

Secretary of State Powell is a great American leader. His greatness lies not just in his diplomatic brilliance, but in his vision and capacity to bring people together and open the doors of opportunity for those historically denied it. Maybe it's time for a little father-son chat.